

ASSEMBLY BILL

No. 1063

Introduced by Assembly Member Evans

February 23, 2007

An act to amend Section 55800 of the Government Code, and to amend Section 7285.5 of the Revenue and Taxation Code, relating to local agency finance, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1063, as introduced, Evans. Local agency finance: limited tax bonds.

Existing law authorizes the board of supervisors of any county to levy, increase, or extend a transactions or use tax for specified purposes, subject to specified criteria.

This bill would specify that a county board of supervisors may provide for the issuance of bonds payable from the proceeds of the tax, subject to specified criteria, and would make various conforming changes.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 55800 of the Government Code is
- 2 amended to read:
- 3 55800. (a) (1) As part of the ballot proposition to approve the
- 4 imposition of a retail transactions and use tax pursuant to Chapter

2 (commencing with Section 7285) of Part 1.7 of Division 2 of the Revenue and Taxation Code, an authority established pursuant to Section 7285.5 of the Revenue and Taxation Code may seek authorization to issue bonds payable from the proceeds of the tax to finance capital outlay expenditures as may be provided for in the expenditure plan adopted pursuant to subdivision (c) of Section 7285.5 of the Revenue and Taxation Code.

(2) If an authority established pursuant to Section 7285.5 of the Revenue and Taxation Code has obtained voter approval prior to the effective date of this chapter for the imposition of a retail transactions and use tax pursuant to Chapter 2 (commencing with Section 7285) of Part 1.7 of Division 2 of the Revenue and Taxation Code and the issuance of bonds payable from the proceeds of the tax, that authority may issue bonds, refunding bonds, and bond anticipation notes pursuant to this chapter to finance capital outlay expenditures as may be provided for in the expenditure plan adopted pursuant to subdivision (c) of Section 7285.5 of the Revenue and Taxation Code.

(3) If an authority established pursuant to Section 7285.5 of the Revenue and Taxation Code has obtained voter approval prior to the effective date of this chapter only for the imposition of a retail transactions and use tax pursuant to Chapter 2 (commencing with Section 7285) of Part 1.7 of Division 2 of the Revenue and Taxation Code, that authority may seek authorization to issue bonds pursuant to this chapter payable from the proceeds of the tax to finance capital outlay expenditures as may be provided for in the expenditure plan adopted pursuant to subdivision (c) of Section 7285.5 of the Revenue and Taxation Code only if a resolution is adopted by two-thirds vote of the governing body of the authority and approved by a majority of the voters.

(b) The maximum indebtedness which may be outstanding at any one time shall be an amount equal to the sum of the principal of, and interest on, the bonds, but not to exceed the estimated proceeds of the tax, as determined by the plan. The amount of bonds outstanding at any one time does not include the amount of bonds, refunding bonds, or bond anticipation notes for which funds necessary for the payment thereof have been set aside for that purpose in a trust or escrow account.

(c) (1) *A county authorized to levy, increase, or extend a transactions and use tax pursuant to Section 7285.5 of the Revenue*

1 *and Taxation Code may issue bonds pursuant to this chapter, and*
2 *for the purposes of this chapter shall be deemed an authority.*

3 *(2) The authorizations contained in this chapter shall apply to*
4 *any tax levied, increased, or extended by a county pursuant to*
5 *Section 7285.5 of the Revenue and Taxation Code on or after*
6 *January 1, 2002.*

7 SEC. 2. Section 7285.5 of the Revenue and Taxation Code is
8 amended to read:

9 7285.5. (a) As an alternative to the procedure set forth in
10 Section 7285, the board of supervisors of any county may levy,
11 increase, or extend a transactions and use tax for specific purposes.
12 The tax may be levied, increased, or extended at a rate of 0.25
13 percent, or a multiple thereof, for the purpose for which it is
14 established, if all of the following requirements are met:

15 ~~(a)~~

16 (1) The ordinance proposing that tax is approved by a two-thirds
17 vote of all members of the board of supervisors and is subsequently
18 approved by a two-thirds vote of the qualified voters of the county
19 voting in an election on the issue.

20 ~~(b)~~

21 (2) The transactions and use tax conforms to the Transactions
22 and Use Tax Law Part 1.6 (commencing with Section 7251).

23 ~~(c)~~

24 (3) The ordinance includes an expenditure plan describing the
25 specific projects for which the revenues from the tax may be
26 expended.

27 (b) *A county shall be deemed to be an authority for purposes*
28 *of Chapter 1 (commencing with Section 55800) of Part 3 of*
29 *Division 2 of Title 5 of the Government Code.*

30 SEC. 3. Nothing in Chapter 251 of the Statutes of 2001 shall
31 be construed to affect the validity of a transaction and use tax being
32 levied on the effective date of this act by an authority created
33 pursuant to Section 7285.5 of the Revenue and Taxation Code as
34 it read on December 31, 2000, and any tax so levied is hereby
35 declared to be valid for all purposes.

36 SEC. 4. This act is an urgency statute necessary for the
37 immediate preservation of the public peace, health, or safety within
38 the meaning of Article IV of the Constitution and shall go into
39 immediate effect. The facts constituting the necessity are:

1 In order to acknowledge the continuing validity of taxes levied
2 by authorities created pursuant to Section 7285.5 of the Revenue
3 and Taxation Code as it read prior to its amendment by Section 6
4 of Chapter 251 of the Statutes of 2001, and in order that counties
5 having obtained voter approval of the taxes and bonding authority
6 pursuant to Chapter 1(commencing with Section 55800) of Part 3
7 of Division 2 of Title 5 of the Government Code may issue bonds
8 under those provisions, at the earliest possible time, it is necessary
9 that this act take effect immediately.

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